

Appendix F.

Task: Focus Groups



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The purpose for conducting Focus Groups and business interviews is to obtain feedback from business and residents their opinions of the City's economic strengths and weaknesses to match to the asset findings, and to identify perceptions held by business about the City's business climate.

To capture a cross-section of the community and business mix, three separate focus groups sessions were organized by the City's Economic Development and Chamber of Commerce staff.

The invitation list for the two business focus groups were divided into traditional, established businesses and emerging or start-up businesses. Invitations were sent to the Hispanic and Black Chambers of Commerce (the latter sent its director and two business owners). The Santa Rosa Chamber of Commerce also held its own business focus group in January 2005 that was attended by some start-up companies and professional service businesses that support them.

The third focus group was comprised of representatives from environmental interest groups and one housing advocacy group.

To ensure that all individuals would speak openly about their views and perceptions of the City, staff were not present at the focus group meetings held for the strategy effort.

To supplement the Focus Groups and ensure a broad response, personal individual interview were conducted and a web survey was posted on the City website – promoted in local paper and open to all residents.

As much as possible, the same questions were asked of each focus group, individuals interviewed in person, and respondents to the web survey. The questions included what Santa Rosa's economic strengths, weaknesses and opportunities were, what tools and

resources did businesses need to be successful and what could the City do to better assist local businesses?

The following tables summarizes responses from the focus groups.

Education, Environmental and Community Based Organizations	
Participant	Organization
Mike Kasper	United Way
Ron Sundergill,	Leadership Instit. for Ecology & the Economy
Carolyn Stayton	New College
Anne Seeley	Concerned Citizens for Santa Rosa
Anne Hudgins	Sierra Club
Lorraine Du Vernay	Santa Rosa Junior College
David Grabill	Housing Advocacy Group
Jane Lorand	New College of California

Business Focus Groups	
Participant	Business
Greg Steele	Nelson
Larry Wasem	Airport Business Center
Peter O'Brien	Orion Partners
Brad Baker	Codding Inc.
Joan Woodard	Simon and Brecht
Larry Simons	Simon and Brecht
Peggy Betchley	National Bank of the Redwoods
Bruce Jenkins	Insurance Broker
Ben Terry	Terry's Southern Style Fish & BBQ Restaurant
Ann Bouligny	The Bouligny Group
Jerry Iroz	Kaiser Permanente
Jack Macy	No company listed

BUSINESS FOCUS GROUP RESPONSES

1. How is your business doing compared to 4 years ago?	2. What challenges is your business facing in expanding its market?	3. How are you addressing growth opportunities?	4. What resources or tools would be helpful?	5. What are Santa Rosa's economic strengths?
<ul style="list-style-type: none"> ▪ Real estate not growing but engineering consulting is growing due to stronger regulation ▪ Healthcare is growing with respect to the need but locally, it is not in a growth mode (businesses can't pay for benefits) ▪ Financial services experienced growth in commercial lending; consolidation occurring ▪ Human resources: recruiting demand is up but overall HR consulting is down ▪ Commercial real estate: flat to down with no prospects but retail has steady demand ▪ Sales consist of business owners who want to buy buildings because prices are down ▪ Government agencies are the buyers of buildings ▪ Government is the only growth sector 	<ul style="list-style-type: none"> ▪ The local economy is mixed in terms of improvement ▪ For professional services, the cost of living is a challenge ▪ Lack of City assistance in promoting local businesses ▪ Lack of capital ▪ High cost of everything especially housing ▪ Government regulation ▪ Cost of doing business (insurance, taxes, fees) 	<ul style="list-style-type: none"> ▪ Revamping shopping center (Coddling Town) for mixed use ▪ Focusing on professional service jobs which may be all that is left ▪ Creating partnerships with education 	<ul style="list-style-type: none"> ▪ Tools and resources to support start-ups (capital, business planning) ▪ Create lifestyle environment to attract young professionals ▪ Need for a web site that lists all business resources ▪ Need for Special Industry Groups—tech business don't want to be with retail businesses—for networking and special programs 	<ul style="list-style-type: none"> ▪ Recreation and quality of life ▪ Smaller community adjacent to metro areas ▪ Good education – university, community college and K-12 system ▪ Good weather ▪ Quality of life that is appealing to executives and top talent ▪ Strong business sector diversity ▪ New clusters such as telecom that spin off new businesses ▪ Strong financial institutions but questionable about availability of capital for merging growth businesses ▪ Strong sense of community and strong community-based organizations

BUSINESS FOCUS GROUP RESPONSES

6. What are Santa Rosa’s economic development weaknesses?	7. What are Santa Rosa’s greatest economic development opportunities?	8. How can the City best assist your business?
<ul style="list-style-type: none"> ▪ Lack of vacant land for development ▪ Lack of air service ▪ Traffic and poor infrastructure ▪ Cost of living ▪ Cost of housing ▪ Balancing environmental goals with need for development and growth (a cultural issue not just regulatory) ▪ Lack of awareness among residents about the value of businesses ▪ Resistance to business expansion—lack of recognition on the part of policy makers that revenues don’t just come from retail businesses ▪ Lack of vacant sites for development ▪ Difficult development review process -- “No city is more difficult than Santa Rosa.” ▪ City doesn’t understand the concept of “public/private partnerships and communication ▪ City is too retail focused ▪ Active citizens’ groups that are vocal and heard ▪ Quality of workforce skills is on the low side ▪ Cheaper real estate elsewhere ▪ Need for more affordable housing that is publicly supported—burden falls on developers 	<ul style="list-style-type: none"> ▪ Santa Rosa is “metro” center for the region ▪ Attracts top talent as metro center ▪ Encourage growth and expansion of small businesses ▪ Encourage businesses and sectors that offer higher paying jobs ▪ Create an environment for discussion of ideas and opinion ▪ Change designation as a “rural” county so that health care reimbursements are higher ▪ Support higher density development and mixed use ▪ Retain established businesses and support start-ups that spin off from these companies ▪ Find the next generation of companies 	<ul style="list-style-type: none"> ▪ Grants/loans to small businesses ▪ Assess and address the cost of doing business (fees, taxes) ▪ Develop a business retention strategy ▪ Change the City government culture and attitude toward business ▪ Streamline and speed up the development review process – become a true “one-stop” shop ▪ Provide written information and instructions about City regulations ▪ Provide names of city employees that know answers to development issues ▪ Focus on value-added jobs not just retail ▪ Expand outreach for City purchasing and jobs to minorities and women ▪ Use this time of [budget cutbacks] to become more lean and efficient ▪ Create an environment that addresses issues such as affordable housing ▪ Instill employee [City staff] accountability for actions ▪ City needs to expand peer group for feedback and input ▪ Need for political will to support greater density ▪ Need for public assistance such as tax credits; location won’t do it alone ▪ Local fees are difficult for new businesses ▪ Need for faster permit review

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January 26, 2005

QUESTION	GROUP RESPONSES
<p>1. How is their organization doing compared to four years ago?</p>	<p>New College</p> <ul style="list-style-type: none"> ▪ Steady increase in programs and students <p>Leadership Institute</p> <ul style="list-style-type: none"> ▪ Funding base is improving <p>United Way</p> <ul style="list-style-type: none"> ▪ Demand for services is increasing ▪ Financial situation improved in a flat revenue environment by cutting costs <p>SBDC/Santa Rosa Junior College</p> <ul style="list-style-type: none"> ▪ Federal funding through SBA cut last three years <p>Sierra Club</p> <ul style="list-style-type: none"> ▪ Still in the “red” – lack of contributions and increased expenses ▪ Depend on volunteers <p>Concerned Citizens for Santa Rosa</p> <ul style="list-style-type: none"> ▪ Revenue issues/challenges for current campaign ▪ Big demand for contributions and volunteer time <p>Housing Advocates</p> <ul style="list-style-type: none"> ▪ Funding base is from donations <p>Institute for Environmental Entrepreneurship</p> <ul style="list-style-type: none"> ▪ Works with New College – green business focus is growing

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<p>2. Santa Rosa’s three greatest economic strengths</p>	<ul style="list-style-type: none"> ▪ Agriculture (wine, dairy and crops) ▪ Abundant natural resources and recreational opportunities ▪ Quality of life ▪ Tourism (one felt this is a mixed blessing) ▪ Climate and open space ▪ Proximity to San Francisco and the Coast ▪ Strong County Economic Development Board ▪ Potential for vibrant downtown ▪ Progressive consciousness in the community ▪ Strong sense of community ▪ Skilled workforce – tech trained ▪ Availability of higher education –university and public/private colleges ▪ Regional health care services
<p>3. Santa Rosa’s three strongest economic weaknesses</p>	<ul style="list-style-type: none"> ▪ Lack of affordable housing and low income housing (very low and low; moderate housing too) ▪ Lack of living wage jobs ▪ Transportation (Hwy 101) ▪ Infrastructure problems in the City (old) ▪ Poor public transportation – high fuel costs ▪ Too much sprawl –not enough high density infill development ▪ Reduced City services (police/fire) ▪ Some City services are not adequately funded ▪ Employers can’t find employees with basic skills (reading, writing, math and job-ready) ▪ Change in the type of jobs – shift from high tech production jobs which are disappearing. Mid-level R&D remain ▪ Lack of political will to be proactive in addressing weaknesses – “good ole boy” network ▪ City is reactive instead of proactive

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<p>4. Santa Rosa’s three greatest economic opportunities in the next 3-5 years</p>	<ul style="list-style-type: none"> ▪ Downtown development (mixed use) that is pedestrian friendly with sustainability and use of green technology ▪ Rail Transit!!!! ▪ Improved intra city public transit ▪ Improved transit mall ▪ Public market to showcase local growers and vendors ▪ Building on educational systems, industry sectors such as health care ▪ Better communication between employers and education providers ▪ Eco-tourism ▪ Development of a sustainable water policy
<p>5. How do you view your economic future in Santa Rosa?</p>	<ul style="list-style-type: none"> ▪ Cost of living – fear of having to leave the area because of high costs ▪ Need to build community identity as a user friendly city and link to economic future ▪ Need to function as a community ▪ Impact of high housing costs is a concern for the future ▪ Santa Rosa is still a rural community
<p>6. What can the City do to strengthen economic vitality?</p>	<ul style="list-style-type: none"> ▪ City needs to control growth ▪ City doesn’t need economic growth per se ▪ City should invest in multi-faceted approach to spearhead initiatives (like Portland and Austin) ▪ Business is a strong source of better paying jobs—support needed for small business and their growth/expansion ▪ City should incorporate long-range planning to preserve urban growth boundaries and open space ▪ City should resist big box stores through community impact studies ▪ Very hard to effect progressive change in Santa Rosa

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| 7. What is your vision for Santa Rosa in the next 10 years | <ul style="list-style-type: none">▪ City needs to populate downtown with more residents, not just projects for high income populations▪ Charm of downtown needs to be optimized▪ How will the City build a downtown that is sustainable and takes advantage of aesthetics?▪ Traffic flows will be mitigated through traffic calming, parking and pedestrian-friendly circulation▪ Unify courthouse square with more residential units▪ Downtown should have a center▪ Reroute 101 further west or underground it▪ Open up relationship between the junior college and the downtown |
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